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FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5725  
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 6788  
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 7409  
RUCPDOC/USDOC WASHDC 2559

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STATE INR/R/MR; IIP/R/MR; WHA/PD

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E.O. 12958: N/A

TAGS: KMDR OPRC OIIP ETRD BR

SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: LEFTIST LEANINGS IN  
LATIN AMERICA; FREE TRADE; SAO PAULO

#### Fighting Crime

Article in center-right O Estado de S. Paulo (9/3) says: "Militant anti-Americanism is a contagious disease that corrodes the nerve cells of those who allow themselves to be contaminated. Lately, agents that enable contamination by this disease had a field day 'proving' that...the creation of the Regional Intelligence Center in Foz do Iguagu...the opening of a base for the National Anti-Drug Secretariat on the border city of Pedro Juan Caballero...plus the

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military maneuvers Americans hold periodically in Paraguay are unrefutable evidence that the U.S. has started the process of taking over the Southern Cone countries. That is complete nonsense...if the U.S. is interested...it is because they are the final destination of most of the narcotics that flow through those borders. It is, therefore, a legitimate interest. It is an even more legitimate interest of Brazil, Argentina and Paraguay to monitor, prevent and stop trafficking on their borders...and if the U.S. can contribute with financial and technical resources, so much the better."

#### Modernizing Commercial Diplomacy

Article in business-centered Valor Econmico (9/5) states: "The recent suspension of the Doha Round caught Brazil off-guard, unlike most emerging countries...Betting everything on the WTO and neglecting regional and bilateral deals is a serious strategic mistake...Abandoning the FTAA and EU-Mercosur negotiations without offering any alternative as well as politicizing the Mercosur are policies that harm national interests...Our commercial diplomacy has fallen victim to extra-commercial interests, such as a seat at the Security Council, the integration demagogery lead by Chavez and an anti-Americanism that cannot see the opportunities of access to the markets of North America. A significant change of course...would demand the creation in the executive-level of an agency solely dedicated to international negotiations, separate from the chancellery and with a specific mandate."

McMullen